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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/07
 SPONSOR SFC LAST UPDATED 3/2/07 HB _____
 SHORT TITLE Law Enforcement Employee Benefits SB 186/SFCS
 ANALYST Peery-Galon

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Unknown	Unknown	Unknown	Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
 General Services Department (GSD)

No Responses Received From
 State Personnel Office (SPO)
 Department of Public Safety (DPS)
 Municipal League
 Association of Counties

SUMMARY

Synopsis of Bill

The Senate Finance Committee Substitute for Senate Bill 186 requires the state and any political subdivision of the state to provide life insurance in the amount of at least \$250,000 for employees during any period of employment when an employee is working as an undercover agent. The Department of Public Safety is required to adopt rules to determine the eligibility of undercover agents for paid life insurance. The substitute defines an undercover agent as a law enforcement officer who is actively involved in the investigation of alleged violations of state or federal law and whose identity as a law enforcement officer is being concealed, and defines a law enforcement officer as a state or municipal police officer, county sheriff, deputy sheriff, conservation officer, motor transportation enforcement officer or other state employee authorized by state law to enforce criminal statutes.

FISCAL IMPLICATIONS

GSD's Risk Management Division states it does not know how many employees would be covered by this life insurance requirement. GSD reports the cost for a 500 member group would

be \$750 thousand annually and would be charged to the employing agencies.

SPO points out that there is no appropriation to provide “paid” life insurance.

SIGNIFICANT ISSUES

SPO states the term “at least” relating to the amount of coverage could be problematic across jurisdictions. Also, SPO reports it is not clear if the life insurance will be in “addition to” or “in lieu of” basic and/or supplemental life insurance already provided to employees.

GSD states pursuant to Section 15-7-2 NMSA 1978 the Risk Management Division of the department provides employee benefits insurance for DPS employees and would purchase the coverage.

ADMINISTRATIVE IMPLICATIONS

SPO states that a state agency’s or political subdivision’s benefits coordinator should be able to administer this benefit with minimal administrative impact.

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